

STATE OF WASHINGTON



OFFICE OF
INSURANCE COMMISSIONER

TRAVELERS GROUP OF COMPANIES

MARKET CONDUCT EXAMINATION

OCTOBER 1, 1996 - MARCH 31, 1997

Seattle Washington

Deborah Senn
Insurance Commissioner
Olympia, Washington 98504

Pursuant to your instructions and in compliance with the laws of the State of Washington,
a market conduct examination has been made of

TRAVELERS GROUP OF COMPANIES

One Tower Square

Hartford Connecticut

and this report of examination is respectfully submitted.

This is the second Market Conduct examination of the Travelers Group of Companies and the Aetna Group of Companies, however it is the first since Travelers acquired the Aetna companies in 1996.

This examination was limited to activities relating to policies issued in the State of Washington and to claims closed for Washington insureds from October 1, 1996, through March 31, 1997. The examination included a review of personal lines and commercial lines business, and company procedures in the following areas:

- Advertising
- Agent Licensing
- Complaint Handling
- Form and Rate Filings
- Commercial and Personal Lines Underwriting
- New issue, Cancellation, non-renewal and declination practices
- Claim Settlement Practices

The examination was performed at the Seattle branch office and the Company's home office in Hartford, Connecticut.

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EXAMINATION REPORT CERTIFICATION

This examination was conducted in accordance with Office of the Insurance Commissioner and National Association of Insurance Commissioners market conduct examination procedures. This examination was performed by Sally Anne Carpenter and Shirley Merrill, who also participated in the preparation of this report.

I certify that the foregoing is the report of the examination, that I have reviewed this report in conjunction with pertinent examination work papers, that this report meets the provisions for such reports prescribed by the Office of the Insurance Commissioner, and that this report is true and correct to the best of my knowledge and belief.

Pamela Martin

Chief Market Conduct Examiner

Office of the Insurance Commissioner

State of Washington

HISTORY, OPERATIONS AND MANAGEMENT

The Travelers Property Casualty Group is under the financial control of the Travelers Group, Inc., a publicly traded holding company created by the merger of The Travelers Corporation with Primerica Corporation in 1993. In April 1996, the property/casualty group purchased the Aetna Life & Casualty Company's property casualty operations. There are seventeen property and casualty companies of the Travelers group authorized to write business in the State of Washington. They are:

- The Travelers Indemnity Company
- The Travelers Indemnity Company of America
- The Travelers Indemnity Company of Illinois
- The Travelers Indemnity Company of Connecticut

- The Charter Oak Fire Insurance Company
- The Phoenix Insurance Company
- The Travelers Home & Marine Insurance Company
- Travelers Insurance Company
- The Standard Fire Insurance Company
- The Automobile Insurance Company of Hartford, Connecticut
- Farmington Casualty Company
- The Aetna Casualty & Surety Company became Travelers Casualty & Surety Company
- Aetna Commercial Insurance Company became Travelers Commercial Insurance Company
- Aetna Casualty & Surety Company of Illinois became Travelers Casualty and Surety of Illinois
- Aetna Casualty & Surety Company of America became Travelers Casualty and Surety Company of America
- Aetna Casualty Company of Connecticut became Travelers Casualty Company of Connecticut
- Aetna Insurance Company became Travelers Property Casualty Insurance Company

The Travelers Group offers a full array of commercial and personal lines coverage, principally through independent agents and brokers. The group has companies licensed in all fifty states.

ADVERTISING

The companies' advertising materials were examined to ensure that they were not misleading, false or deceptive to the consumer as defined in RCW 48.30.040 and that the companies were complying with RCW 48.30.050, regarding the display of the full company name and domicile.

Forty nine pieces of advertising were held in the Seattle Branch Office for distribution. All of these materials were reviewed.

Our findings:

Four of the 49 pieces reviewed did not show the specific company name or home office location. The Travelers or the Travelers Group was used in place of the full name of the company. This is a violation of RCW 48.30.050. See Appendix 1 for detail.

AGENCY LICENSING AND APPOINTMENTS

The agent/agency licensing process and maintenance of agent contract and licensing records were examined to ensure that agents soliciting business for the Travelers Companies were licensed and appointed pursuant to the requirements of RCW 48.17.060 and RCW 48.17.160, and that the companies were following their internal procedures regarding maintenance of agent files.

Agents are usually appointed with all the companies within the Travelers group. Through an agreement with the Office of the Insurance Commissioner (OIC), all active Aetna agents were re-appointed with Travelers Companies in a single transaction in April of 1996. The companies then re-contracted with the Aetna agents. Travelers renews appointments from lists of actively licensed agents provided by the OIC. Agencies are sent termination of contract letters if they are notified by the OIC that an agency has not renewed its license.

The sample selected consisted of 102 agents and agencies that represented the companies during the exam period. Fifty-nine agency files (58%) did not contain copies of the Washington license or contract as their internal procedures required.

RCW 48.17.160(3) Requires the insurer to notify the Office of the Insurance Commissioner in writing when an agent appointment is revoked. Travelers withdrew its personal lines appointment with one agency. The department was not notified.

COMPLAINTS

The purpose of this section of the examination was to review the companies' complaint handling procedures and compliance with WAC 284-30-360(2), which requires the response to inquiries from the Office of the Insurance Commissioner within 15 working days from the receipt of the inquiry. The complaints were also reviewed for possible adverse trends in claim handling or underwriting.

The companies have written complaint procedures. These procedures require that any written consumer complaint be sent to the Office of Consumer Affairs (OCA). This department maintains complaint logs of both consumer and regulatory complaints. Complaint responses are handled in accordance with procedures established between the department involved and the OCA.

The OCA logs are maintained on-line. They are separated by individual company involved in the complaint. These include records from the Aetna book of business. Fourteen regulatory complaints are listed in companies complaint records for the exam period. Twelve complaints were selected for review. The companies met both the requirements of the code regarding time frame for response and their internal procedures for handling complaints. No adverse trends were noted.

FORMS AND RATE FILINGS

The Travelers group of companies are members or subscribers of the following rating or advisory organizations applicable to Washington policy holders:

- Washington Surveying and Rating Bureau (WS&RB)
- Insurance Services Office (ISO)
- Surety Association of America (SAA)

ISO rates and forms are used primarily in the commercial lines products. The companies have developed some forms that deviate from the filed ISO rates and forms. In the process of this review, the examiners requested verification of filing and approval of a sampling of the company deviations. All of the rates and forms sampled were filed and approved prior to use.

Personal lines rates and forms are developed by the company utilizing information from advisory organizations and the companies' own loss experience and philosophy. The examiners requested verification of filings and approval of a sampling of rates and forms. All rates and forms in the sample were filed and approved prior to use.

One application form in use for the Secure Homeowners Program does not comply with the requirements of WAC 284-30-560(b). It does not show the time that coverage will become effective. There is no filing requirement for this application form, as it is not attached to become part of the policy. However, the form must meet the requirements of the above-cited regulation.

The Personal Injury Protection Endorsement - Washington, form number PL- 6179 Rev.10-94/A46021 contains language which appears to alter or restrict benefits which were originally designed to apply to the driver and passengers of the insured vehicle, or pedestrians struck by the insured vehicle. The form appears to restrict who is insured under the "Loss of Services". The form states "Only you are the 'eligible injured person'." "You" being defined in the policy as the named insured and spouse. The form was referred to the OIC Rates and Contracts division for review. As a result, the companies were asked to revise the form or withdrawal of approval will be ordered.

COMMERCIAL UNDERWRITING - NEW AND RENEWAL POLICIES

The companies issued 7,597 new and renewal policies during the time frame of this examination. The examiners reviewed 279 policies to determine if the companies were following their filed rate and rule manuals, and any modifications they had filed. Files were also reviewed to determine compliance with other Washington insurance laws.

The majority of the companies' Washington commercial lines policies are underwritten and rated in their Seattle office. However, the companies do have other offices that

handle specialized policy types. For this examination, policies from other offices were shipped to the Seattle office for review.

The companies allow a select number of agents full underwriting authority. These agents underwrite the risk, assign the company the risk is to be written in and determine if any AA@ rates or schedule credits or debits are appropriate. The agent then submits the risk to the companies for final approval and issuance. The agent maintains all underwriting records. These files were included in the sample. The companies provided all files requested.

Travelers policy documents, such as the Declaration Page (Form # ILT0070987) and the Change Endorsement (Form # ILT0021189) do not show the name of the actual insuring company. This is a violation of RCW 48.05.190(1). The violation was acknowledged by the companies.

Our findings were as follows:

- One bound application did not show the correct name of the insurer in violation of WAC 284-30-560(2). See Appendix 2 for policy detail.
- Two files indicated that the companies had agreed to waive the audit required in their rating plan with no specific reason given in violation of RCW 48.19.040 (6). See Appendix 2 for policy detail.
- Fourteen underwriting files indicated violations of WAC 284-24-100(3), or (5). These policies lacked the required supporting documentation for debits or credits applied. Two of these policies were also written with credits exceeding the maximum credits allowed by WAC 284-24-100(2). In addition to the 25% credit maximum, additional credits for the agent commission were allowed. Company personnel acknowledged that no additional plan had been filed to allow credits for agent commission reduction. Credits were used as a pricing tool rather than a reward for documented above-average risks. See Appendix 2 for policy detail.

NON-RENEWAL OR CANCELLATIONS - COMMERCIAL

The companies non-renewed or canceled 2,496 commercial insurance policies during the examination period. Examiners reviewed 505 non-renewal or cancellation notices. The following violations were noted:

- 17 notices did not list the correct name of the insuring company. A generic name such as The Travelers Companies or The Aetna were used. RCW 48.05.190 requires the company to do business in their own legal name. See Appendix 3 for detail.

- 3 notices did not give clear and easy to understand reasons for the non-renewals as required in WAC 284-30-570. Reasons given included "This account has unacceptable loss ratio," "this Company is no longer interested in continuing insurance for coverages originally deemed acceptable," and "individual risk exposures." A message at the bottom of the notice indicated that if the notice did "not state with reasonable precision the facts upon which the company's decision was based," the insured could write for additional information. This offer does not comply with the requirement in WAC 284-30-570, that the explanation be clear enough that the insured need not resort to additional research. See Appendix 3 for detail.
- The companies acknowledged in writing that they terminated two agency contracts and sent non-renewal notices on a total of 106 policies affected by the contracts. The list of effected policies are contained in the examination work papers. The notices sent to the insured stated that the companies were non-renewing the policies because "your agent's contract has been terminated" in violation of RCW 48.17.591(1), which prohibits cancellation or non-renewal of any policy due to termination of contract with an independent agent.
- Four other agency contracts were terminated, affecting 97 insureds. The companies acknowledged in writing that they sent each of the agents a list of these risks which needed to be placed elsewhere. A list of these policies is contained in the examination work papers. There were no non-renewal notices or offers to renew these risks as required by RCW 48.18.2901 (1)(a),(b), or (c).
- Premium refund should be short rated when policies are canceled at the insured's request. The company pro-rated two cancellations instead of short rating the return premium from policies #81BQ25662721TWF and #680465W4248COF.

UNDERWRITING - DECLINED APPLICATIONS - COMMERCIAL

Declined application procedures vary between underwriting units within the company. Due to the volume of applications received, the declined applications are held for 90 days in the Select or Contractor underwriting units. If, during the 90 days there has been no activity on the account, the company purges and destroys the applications. Seventy-three declined applications were randomly selected for review.

When an application is received, it is entered into the computer system and assigned an account number. This provides the company with an electronic record of the request. The underwriting staff can enter notes to this record, indicating why the risk was declined.

Once a risk has been submitted for a quote, the companies will decline to quote that same risk for any other agent. Three of the declines that were reviewed fell into this category. The underwriter involved sent memos to the agents explaining they had received a

request to quote from another agent and therefore were unable to offer anyone else a quote on the same risk.

All commercial declined applications reviewed had been submitted as requesting quotes only. None of the applications had been bound. When an agent submits a bound application, a policy or short term binder is issued. This process was evidenced elsewhere in the review of underwriting and rating procedures. No errors were noted.

UNDERWRITING - PERSONAL LINES

The underwriting practices for personal lines were examined for compliance with Washington laws regarding underwriting and rating practices, declination, cancellation and non-renewal procedures. Auto policies and property policies included homeowners, dwelling and personal property policies from all the companies were examined. The sampling for this exam is as follows:

In-force during the exam period:	3101 Homeowners	Files examined 57
	2927 Automobile	Files examined 54
Non-renewals during the exam period:	96 Homeowners	Files examined 10
	57 Automobile	Files examined 8
Cancellations during the exam period:	423 Homeowners	Files examined 20
	189 Automobile	Files examined 14

RCW 48.19.040 requires that all rates and rating plans be filed prior to use. Travelers has a filed and approved earthquake plan. All Washington policies written with earthquake coverage since March 1996 were charged an unfiled rate due to a computer programming error. The error resulted in the insureds being undercharged. The error will be corrected during the migration of the Aetna and Travelers personal lines computer systems in July 1998. The total number of policies written with earthquake coverage since this rate approval is 2241. This number includes new policies and renewals since March 1996.

RCW 48.17.591(1)(2a) states that an insurer cannot refuse to offer renewal to a policyholder when the agent/company relationship ends. Eight policies identified in Appendix 4 were non-renewed in violation of this statute.

RCW 48.05.190(1) requires insurers to do business in their own legal name. The eight policies identified in Appendix 4 were sent letters on letterhead identifying the company as "The Travelers", instead of the actual insuring company. See Appendix 4.

WAC 284-30-560(b) requires the time, date, and circumstances which will cause the coverage to commence. The application form used in the Secure Homeowners Program does not meet this requirement as it does not reflect the time that coverage will commence.

Two property files were incorrectly coded for their zone or territory. The company took action to correct the errors.

915513288-634-1 was zoned incorrectly. No rate change resulted from the correction.

916597933-633-1 had the territory incorrectly identified. The rating was corrected from inception, resulting in a refund to the insured of \$314.00.

One policy (532846376 633 1) allowed an alarm system credit without the backup documentation required in the underwriting guidelines. The company has requested the back-up documentation from the insured.

RCW 48.22.085 requires the insurer to offer Personal Injury Protection coverage on all automobile liability policies, and requires a signed rejection if the option is refused. Five files examined did not have this signed document. The company has contacted the policyholders to obtain the required documentation.

WAC 284-30-570 requires the actual reason for refusing to renew insurance be disclosed in clear easy to understand language. One file was in violation of this regulation, as the non-renewal notice for policy #920070067 101 2, stated the reason for cancellation as "no hit on motor vehicle record."

One automobile policy was issued with an incorrect symbol resulting in undercharging the policy holder. It will be corrected at renewal. One policy was processed with an incorrect vehicle identification number resulting in undercharging the policyholder. The error will be corrected at renewal.

CLAIMS

Three hundred-seventy-four (374) claims were selected from the files closed during the exam period for review. The files were examined for compliance with laws regarding fair claim practices, total loss settlement, salvage disposal, and handling of subrogation. Eight files contained errors which resulted in a recovery of \$4,499.12 for insureds.

WAC 284-30-340 requires claim files to contain notes and work papers in such detail that pertinent events and the dates of the events can be reconstructed. Appendix 5 lists 27 claim files identified as having insufficient documentation to meet this standard. 59 (16%) of the claim files could not be located for review. Of these, 30 claims (8%) were reviewed through reconstructed financial records and adjuster's on-line notes.

The archiving procedure for claim files indicates they are to be pulled from the local files six months after they have been closed and sent to a storage contractor. The Companies provided the following breakdown of missing files which were requested for the sample but could not be located for examination:

- 14 files sent from the Denver Service Center to storage - not located
- 10 files sent from the Seattle Service Center forwarded to storage - not located
- 3 files closed in other service centers- not located
- 1 file in the Regional Recovery Centers for subrogation- not located
- 1 file open in Denver- not located.

The following is a breakdown of the findings of the claim audit. Some files contained evidence of multiple violations. Each policy and the specific violations noted are detailed in Appendix 6.

RCW 48.05.190 requires companies to conduct business in their own legal name. The Companies acknowledged that it was common practice to use generic stationary identifying only Travelers Indemnity Company and the Aetna Casualty and Surety Company without specifically identifying the insuring company for general correspondence on property files. Violations of this law were noted in 9 files that are identified in Appendix 5. Coverage declination and reservation of rights letters examined did identify the correct insuring company in both property and liability files unless specifically noted in Appendix 5.

WAC 284-30-330(1)(2) and (16) define specific unfair claim settlement practices related to misrepresentation of facts or policy provisions and prompt payment of claims. Three files identified in Appendix 5 violate this regulation.

WAC 284-30-350 requires the insurer to fully disclose to first party claimants all pertinent benefits and coverage. 8 files identified in Appendix 5 did not meet this standard due to errors such as advising insureds they had a one year instead of three year PIP benefit, or failure to

explain replacement cost options and requirements.

WAC 284-30-360 requires prompt acknowledgment of pertinent communications. Three files

listed in Appendix 5 did not meet the time standard.

WAC 284-30-370 sets forth a thirty day standard for completing an investigation following the notice of claim. 16 files identified in Appendix 5 appeared to have unnecessary delays in completing the investigation.

WAC 284-30-380(1) and (2) requires documentation of a denial to be complete. Three files listed in Appendix 5 violate this regulation.

WAC 284-30-390(1)(b) sets the standards for settling automobile total losses. Nine files identified in Appendix 5 failed to comply with these requirements, primarily because local dealer quotes were not used to establish Actual Cash Value (ACV).

Subsequent event: The Claim Manager provided examiners with an action plan to address deficiencies identified during the exam. The plan included training on file documentation, total loss procedures and legal requirements for claims involving a total loss, revision of forms to show the companies' legal names, and review of requirements for total loss settlements.

Subsequent event: The examiners recommended a self-audit of all Washington files being handled in the subrogation unit to ensure the policy holders deductible is been refunded appropriately. As a result of this audit the company returned \$6554.76 on 36 files to policyholders.

INSTRUCTIONS AND RECOMMENDATIONS

INSTRUCTIONS:

1. The Companies are instructed to correct any piece of advertising referenced in Appendix 1 which is still in use to show the specific companies name and home office location as required in RCW 48.30.050. (page 5) and notify all branch offices to discontinue use of the referenced forms.
2. The Companies are instructed to revise the Secure Homeowners Program Application to conform with the requirements in WAC 284-30-560(b) which requires the date, time and circumstances when coverage will be effective. (page 8)
3. The Companies are instructed to refile the rates and rate plans for all earthquake coverage for use in the migration to the SAFARI program planned for July 1998 to reflect the use of credits not covered in the current rate manual. Current filed plans do not comply with the requirements of RCW 48.19.040. (page 13)

4. The Companies are instructed to ensure that all written correspondence is done in the legal name of the appropriate company, as required by RCW 48.05.190(1). (page 9, 11, and 15)
5. The Companies are instructed to establish a procedure to ensure compliance with RCW 48.17.591 regarding offers to renew policies when agent contracts are terminated. (page 11 and 13)
6. The Companies are instructed to comply with RCW 48.22.085 regarding Personal Injury Protection waivers prior to issuing policies without PIP coverage. (page 14)
7. The Companies are instructed to change their documentation procedures to ensure that the requirements of WAC 284-30-570 are met on every cancellation. (page 14)
8. The Companies are instructed to monitor claim practices to ensure compliance with the trade practice rules established in Chapter 284-30, WAC. (page 16)
9. The Companies are instructed to notify the Office of the Insurance Commissioner that the appointments with Olympia Insurance Brokers in the personal lines companies are withdrawn. (page 13)

RECOMMENDATIONS

1. It is recommended that procedures regarding maintenance of agent records be reviewed and that the records be maintained by one department to ensure compliance with Washington laws.
2. In response to findings in the exam the company conducted a training session for the underwriters. It is recommended the company follow-up with an internal audit to ensure compliance.

3. In response to the findings during the exam the claims department developed an action plan for compliance training and held training sessions regarding file documentation, requirements of total loss handling and salvage.

APPENDIX 1

ADVERTISING

Brochure #	Title	Comments
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S2031 Rev. 6/82	A Measure of Security A survey of embezzlement controls in your organization	Identified as The Travelers. No specific company or domicile identified.
C22238-5	Utilization Management Review	Identified as The Travelers. No specific company or domicile identified.
CX1007 N7/97	Select Accounts Product Summary A Better Insurance Value	Identified as Travelers Property Casualty No domicile identified.
C23849 7/96	Select Accounts New Business Guide P+ and P	Identified as The Travelers Indemnity Company and Aetna Casualty and Surety Company. No domicile identified.

APPENDIX 2

COMMERCIAL UNDERWRITING- NEW AND RENEWAL

Policy number	Violation(Yes or No) & cite	Comments
081-002595130-AM	Yes WAC 284-24-100 (2) & (5)	Limit of credit or debit is 25%, company used 30% and 32%.(20% IRPM & 10% agent commission on property and 25% scheduled & 7% agent commission on general liability) Lacks supporting documentation for credits applied
I-66-189A2513-COF-97	Yes	Lacks supporting

	WAC 284-24-100 (5)	documentation for credits applied
710\715 760G7912	Yes RCW 48.19.040 (6)	Audit waived, company did not follow rating plans
I 680-499W237-8	Yes WAC 284-24-100 (5)	Lacks supporting documentation for credits applied
I 680-453J604-0	Yes WAC 284-24-100 (5)	Lacks supporting documentation for credits applied
706W1713	Yes WAC 284-24-100 (5)	Lacks supporting documentation for credits applied
660-915G547796	Yes WAC 284-24-100 (5)	Lacks supporting documentation for credits applied
660-514G612-4	Yes WAC 284-24-100 (5)	Lacks supporting documentation for credits applied
I680-676W179-3	Yes WAC 284-24-100 (5)	Lacks supporting documentation for credits applied
081-0025287441	Yes WAC 284-30-560 (2)	Not showing correct name of insurer on bound application
081ACM25301362	Yes RCW 48.19.040 (6)	Audit waived, company did not follow rating plans. One required form was left off.
081-BQ0025287088 TXN	Yes	Lacks supporting documentation for credits

	WAC 284-24-100 (5)	applied, note in file from agent asking 10% credit be applied, agent promised to bring premium down
081-0025133788AM	Yes WAC 284-24-100 (5)	Lacks supporting documentation for credits or debits applied.
I-660-120X6755-TIA-97	Yes WAC 284-24-100 (2) & (5) RCW 48.19.040 (6)	Applied 25% scheduled. credit & 3% agent comm, can't exceed 25% total, no filed expense plan. Lacks supporting documentation of credits applied. Co waived audit, not following filed rating plans
P 710-711F043A	Yes WAC 284-24-100 (5)	Lacks supporting documentation for credits applied
715-701W2779	Yes WAC 284-24-100 (5)	Lacks supporting documentation for credits applied.
PL 0025233744	Yes WAC 284-24-100 (5)	Lacks supporting documentation for credits applied.

APPENDIX 3

NON-RENEWAL AND CANCELLATION - COMMERCIAL

Violations of RCW 48.05.190

0025784275	I680-836w227-9-TIA-96
0025866211	I660-976-F3042-TCT-96
0025847379	I680-531-K702-O-TIA-96
0025746609	I660-845J573-A-TCT-97

FJ25744821	I680-238J538-A-COF-96
081ACM25817805	I680-280W062-9-COF-96
0025764648	I680-346K905-6-TRI-94
81BQ0025746311	I680-390W485-8-TIA-96
	I680-515G324-4-COF96

Violations of WAC 284-30-570

ISCFCUP616W7374-IND-95

081(FP)(FJ)(CO)(IZ)025163978

BQ25606795

Violations of RCW 48.18.290(1)(b)

FJ25744821TCM

Violations of RCW48.18.2901(1)(a)(b)

FJ25744821TCM

081IZ025501667TCA

APPENDIX 4

NON-RENEWALS - PERSONAL LINES

Policy Number	Violation of RCW 48.17.591	Violation of RCW 48.05.190
366-44-1211-633-1	Notice does not indicate an option to continue coverage	Letter to policyholder regarding non-renewal uses generic Travelers letterhead.
535160641-633-1	Notice does not indicate an option to continue coverage	Letter to policyholder regarding non-renewal uses generic Travelers letterhead
915637811-633-1	Notice does not indicate an option to continue coverage	Letter to policyholder regarding non-renewal uses generic Travelers letterhead
910-24706-633-1	Notice does not indicate an option to continue coverage	Letter to policyholder regarding non-renewal uses generic Travelers letterhead
920071184-634-1	Notice does not indicate an option to continue coverage	Letter to policyholder regarding non-renewal uses generic Travelers letterhead
914912588-663-1	Notice does not indicate an option to continue coverage	Letter to policyholder regarding non-renewal uses generic Travelers letterhead
538387514-663-4	Notice does not indicate an option to continue coverage	Letter to policyholder regarding non-renewal uses generic Travelers letterhead
535160641-663-4	Notice does not indicate an option to continue coverage	Letter to policyholder regarding non-renewal uses generic Travelers letterhead

APPENDIX 5

CLAIMS

Policy or claim number/ Dollar Recovery	Violation Yes or No	RCW or WAC number	Comments
DTA 5910	Yes	WAC 284-30-370	Investigation delayed
019-97-00000276	Yes	WAC 284-30-370	Investigation delayed
SMX 9029	Yes	WAC 284-30-350 & RCW 48.05.190(1)	Failure to advise of pertinent coverage. Insured was advised that PIP benefits were only for one year instead of three. File re-opened.
19-431411	Yes	WAC 284-30-370, WAC 284-30-340	Investigation delayed File documentation incomplete
GUB 3789 \$35.54	Yes	WAC 284-30-380(1)	Documentation of coverage denial not complete. Sales tax not properly computed on the loss
SKP 3208 \$116.96	No		Sales tax not paid
SKP 4563 \$65.60	No		Sales tax not paid
SKP 3720	Yes	RCW	Correspondence does

		48.05.190(1) WAC 284-30-370	not reflect company=s legal name. Delay in investigation
811Z25623887	Yes	WAC 284-30-340	File documentation incomplete
SKQ 0405	Yes	WAC 284-30-390 (1)	Total loss value not established from local dealers
D4P 1706	Yes	WAC 284-30-370	Investigation delayed
SKP 4356	Yes	WAC 284-30-340	File documentation incomplete
D2U 0862	Yes	RCW 48.50.190 (1)	Written coverage declination not done in company's legal name.
D2U1816	Yes	RCW 48.05.190 (1)	Written coverage declination not done in company's legal name
81CQ25404054	Yes	WAC 284-30-370, WAC 284-30-340	Delayed investigation. Dates on documentation inaccurate
GUB 3377	Yes	WAC 284-30-370	File closed prematurely. File reopened for further investigation
081-96-000004107	Yes	WAC 284-30-370	Delayed investigation
GUP 4153	Yes	WAC 284-30-340	File documentation incomplete. Insured had two losses. Log notes not entered to the correct claim file

DMI0295	Yes	WAC 284-30-340	Check issued to insured without indicating which coverages it applies to. No documentation to explain why.
GUB 0290	Yes	WAC 284-30-340	File documentation incomplete . No file documentation confirming discussion of damages being under deductible before closing file
SKP3415	Yes	WAC 284-30-340 & 350 (1)	No file documentation regarding depreciation and how to claim replacement cost.
81ACM25387634	Yes	WAC 284-30-340	File documentation incomplete
19-431305	Yes	RCW 48.05.190	Correspondence not done under company's legal name.
19-431327	Yes	RCW 48.05.190	Correspondence not done under company's legal name.
D5I 7236	Yes	RCW 48.05.190	Correspondence not done under company's legal name.
81-321745	Yes	WAC 284-30-340 & 360 (1)	File documentation incomplete. Agent held claim for 14 days.
431087	Yes	WAC 284-30-340, WAC 284-30-370	File documentation incomplete. Delayed investigation

L19 431472 SP	Yes	WAC 284-30-370	Delayed investigation
C8M9658	Yes	WAC 284-30-340	File documentation incomplete
19-CP430993	Yes	WAC 284-30-340	File lost. Recreated. Some claim handler notes not recoverable from system. File documentation incomplete
D5I9065	Yes	WAC 284-30-360 (1)WAC 284-30-370	Delayed investigation, agent delayed reporting claim to company
19-5030365	Yes	WAC 284-30-370 WAC 284-30-330(1) and (2)	Delayed investigation Delay in offering to settle the claim following liability investigation.
SKP 3812	Yes	WAC 284-30-340 & 370	Investigation delayed Documentation incomplete
SKP 4047	Yes	WAC 284-30-380 (1) (2)	Incomplete denial
SKP 3083	Yes	WAC 284-30-340	File documentation Incomplete. File misplaced in move
GUB 3715	Yes	WAC 284-30-340 & 350	Incomplete handling of claim
DU 242541 & others	Yes	WAC 284-30-340 & 370	Incomplete handling and file documentation

			incomplete.
X81 ATP 264025 RG	Yes	WAC 284-30-340	File documentation incomplete, salvage paperwork being partially handled by salvage buyer
D2U1216	Yes	WAC 284-30-340	File documentation incomplete.
431490	Yes	WAC 284-30-340	File documentation incomplete.
SKP 2619	Yes	WAC 284-30-340	File documentation incomplete, file should have been referred for subrogation
SKP 0323	Yes	WAC 284-30-390 (1)	Did not use local market to establish auto ACV
081 MP 0025484352	Yes	WAC 284-30-340	File documentation incomplete
GRN 85560 \$100.00	No	Claim handler error No violation	Failed to reimburse deductible
SKQ 6057 \$1060.96	Yes	RCW 48.05.190 (1) & WAC 284-30-350	Independent adjuster gave incorrect coverage benefits to insured.
GUQ 0445	Yes	WAC 284-30-390 (4)	Incomplete claim handling. File re-opened.
GUA 0737	Yes	WAC 284-30-340, 360 (3) & 390 (1)	Incomplete documentation., didn't respond to all pertinent communications, didn't

			use local autos/dealer quotes for ACV.
SKQ 0405	Yes	WAC 284-30-390 (1)	Didn't use local autos/dealer quotes for ACV
GUA 5744	Yes	WAC 284-30-390 (1)	Didn't use local autos/dealer quotes for ACV
431537	Marginal	WAC 284-30-330 (16)	Delay in payment due to CAT losses of 12/96
GUA 3480	Yes/Marginal	WAC 284-30-350 (1) & 380 (4)	No notes in file to show adjuster advised insured that her co. could pay PIP & subrogation, let insured try to get med bills paid by responsible other carrier
SKP 5828 \$500.00	Yes	WAC 284-30-340 & 350 (1)	File Documentation incomplete. Company paid loss under collision, underinsured motorist instead.
SKQ 4041 \$2400.64	Yes	WAC 284-30-330 (16) & 340	Company failed to pay additional amount owed
SKP 3245 \$219.42	No	Claim handler error No violation	Adjusted under collision coverage. File corrected to reflect underinsured motorist coverage.
SRL 6547	Yes	WAC 284-30-390 (1)	Didn't use local autos/dealer quotes for ACV
SKP 0073	Yes	RCW 48.05.190	Long delays between

		(1) & WAC 284-30-370	file activity, with no indication why
SKP 0044	Yes	WAC 284-30- 340	File documentation incomplete
SKP 1027	Yes	WAC 284-30- 340 & 370	File documentation incomplete, delays in settlement
GUN 0612	Yes	WAC 284-30- 340 & 350(1)	File documentation incomplete, no indication PIP explained
SKP 1944	Yes	WAC 284-30- 340 & 350 (1)	File documentation incomplete, PIP not fully explained
SKQ 7152	Yes	WAC 284-30- 390 (1)	Did not use local and verified auto/dealer quotes for ACV
SKQ 4995	Yes	WAC 284-30- 340 & 390 (1)	Incomplete documentation, didn't use local or verified autos/dealer quotes for ACV

ACV: Actual Cash Value CAT: Catastrophe PIP: Personal Injury Protection